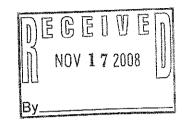


7 Lions Lane Camden, Maine 04843 (207) 236-3358 • FAX (207) 236-7810 Patricia Hopkins, Superintendent Michael Weatherwax, Assistant Superintendent

November 14, 2008

Susan Gendron
Commissioner of Education
Department of Education
23 State House Station
Augusta, ME 04333



Dear Commissioner Gendron:

I am writing as Chair of the RPC for the Five Town CSD, MSAD #28, and the Appleton, Hope, and Lincolnville School Departments in response to your letter of October 27, 2008. In your letter (enclosed) you indicated several areas that needed further work in order for you to approve the Plan. After consultation with Norm Higgins of D.O.E. and Richard Spencer of Drummond and Woodsum, we have made the following adjustments to the plan:

- 1. You indicated under "General Documentation" that we should correct the number of students on p. 2, of the Reorganization Plan cover Sheet to read 2,106. However, as I reported to Mr. Higgins, that in fact is the number on that sheet. So unless he and I are missing something, there was nothing to change here.
- 2. Under the "Checklist Plan Text Items" there were three areas requiring attention:
- 12. After discussions with Mr. Higgins and at his direction, we have added language to this section indicating potential savings in years two or three depending upon District needs.
- 13-B.2. This has been clarified to indicate that school choice among member units is not an option at this time.
  - 13-D. As you requested, we have removed this section from the plan.
- 3. Under "Interlocal Agreement Items" our attorney Mr. Spencer in collaboration with our RPC has done extensive work to refine the agreement as indicated in the revised text.

Please contact me if there is anything further that you need in order to approve our Plan,

Sincerely,

Michael Weatherwax

RPC Chair

#### REORGANIZATION PLAN SUBMITTAL SHEET

(Each municipality in a School Union must be indicated separately.)

School Administrative Units Included in APPROVED Notice of Intent	School Administrative Units Submitting Reorganization Plan
Hope School Department	Hope School Department
Appleton School Department	Appleton School Department
Lincolnville School Department	Lincolnville School Department
Maine School Administrative District #28	Maine School Adminstrative District #28
Five Town Community School District	Five Town Community School District

#### **Contact Information:**

RPC Chair

Name:

Michael Weatherwax

Address:

7 Lions Lane c/o Five Town CSD

Camden, ME 04843

Telephone: 236-3358

email:

michael weatherwax@fivetowns.net

Date Plan Submitted:

November 14, 2008

Proposed RSU Operational Date:

July 1, 2009

### Reorganization Plan Cover Sheet (Please attach Reorganization Plan as Exhibit A)

	Required Elements						
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier¹	Need Assistance <sup>2</sup>
3.A(1)	SAUs included in RSU		X				
3.A(2)	Size of governing body		X				
, ,	Composition of governing body		X				
	Apportionment of governing body		Ø				
3.A(3)	Method of voting of the governing body		X				
3.A(4)	Composition of local school committees		X				
	Powers of local school committees		X X				
	Duties of local school committees						
3.A(5)	Disposition of real & personal school property		X				
3.A(6)	Disposition of existing school indebtedness		X				
, ,	(if not using provisions of section 1506)			ئـــا	Ш	Ш	
	Disposition of lease-purchase obligations		$\boxtimes$	П	П	П	
	(if not using provisions of section 1506)				Ll		
3.A(7)	Assignment of school personnel contracts		X				
	Assignment of school collective bargaining agreements		X				
	Assignment of other school contractual obligations		X				
3.A(8)	Disposition of existing school funds and existing financial obligations		Ø				
3.A(9)	Transition plan that addresses the development of a budget		X				
	for the first school year		Ø				
2.4(10)	Transition plan that addresses interim personnel policies			<u> </u>	<del>                                     </del>	$\sqcup$	
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		$\boxtimes$				
3.A(11)	Explanation of how units that approve reorganization plan						
	will proceed if one or more units do not approve the plan		$\boxtimes$				
3.A(12)	Estimate of cost savings to be achieved		X				
3.A(13)	Such other matters as the governing bodies of the school						
, í	administrative units in existence on the effective date of		X				
	this chapter may determine to be necessary					<u> </u>	

need assistance, on page 3.

<sup>&</sup>lt;sup>1</sup> Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.
<sup>2</sup> Please explain what assistance you need to complete this portion of your plan, and state from whom you

	Parameters for Plan Developmen	nt					
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier³	Need Assistance <sup>4</sup>
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception <sup>5</sup> )						
Sec. XXXX-36, Parameter B	When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU		×				
3.B(2)	Comprehensive programming for all students grades K - 12.		$\boxtimes$				
	Includes at least one publicly supported high school		X				<u> </u>
3.B(3)	Consistent with policies set forth in section 1451		$\boxtimes$				
3.B(4)	No displacement of teachers		$\boxtimes$				
` '	No displacement of students		X				
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		$\boxtimes$				
Sec. XXXX-26, Parameter F	The plan must address how the school administrative unit will reorganize administrative functions, duties and noninstructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program <sup>6</sup>		×				
	Collaborative Agreements						
					Yes	No.	
Does your plan currently include information/documentation on collaborative agreements? (not required, but encouraged)					Ø		

#### Exceptions to 2,500 minimum

#### Actual number of students for which the SAU is fiscally responsible: 2048

Exception	Exception Claimed in Plan	Documentation Provided (Please attach as Exhibit B	
		Yes	No
Geography			
Demographics			
Economics			
Transportation			
Population Density			
Other Unique Circumstances			

<sup>&</sup>lt;sup>3</sup> Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

<sup>&</sup>lt;sup>4</sup> Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

<sup>5</sup> Please note in the Exceptions to 2500 minimum section on next page

<sup>&</sup>lt;sup>6</sup> This requirement is only for those who plan to be operational as an RSU in fiscal year 2008-2009, in accordance with a Reorganization Plan that is approved by the Commissioner and by the voters.

			1 1
_	Signature Title	Mw.13, 2008.	Five Town CSD/MS4000
	Whalah Stewart Sy	t. 11/13/08	Five Town CSD/MSHOOD SAU U.#69
	Signature/Title / /	Date / /	SAU
	Signature/Title	Date	SAU

# FIVE TOWN RSS Plan to Reorganize as an Alternative Organizational Structure

School Administrative Units (SAUs) submitting: Five Town CSD, Maine School Administrative District No. 28, Town of Hope School Department, Town of Appleton School Department, Town of Lincolnville School Department (hereinafter collectively "Member School Units").

Contact information: Michael Weatherwax (RPC Chair) 236-3358, Patricia Hopkins (Five Town CSD and MSAD #28 Superintendent) 236-3358, Deborah Stewart (Union #69 Superintendent) 763-3818

Date submitted by SAUs: October 14 2008

Proposed operational date of the Five Town RSS: July 1, 2009

### 1. The units of school administration to be included in the proposed Five Town RSS.

Town of Hope School Department, a municipal school unit. Town of Appleton School Department, a municipal school unit Town of Lincolnville School Department, a municipal school unit Maine School Administrative District 28 Five Town CSD, a Community School District

### 2. The size, composition and apportionment of the governing body.

The Five Town RSS shall be governed by an AOS school committee consisting of representatives of the school committees of the Towns of Appleton, Hope, Lincolnville, and MSAD #28 (Camden and Rockport), and the Five Town CSD as follows::

<b>Municipality</b>	Number of Representatives
Appleton	2
Camden	4
Норе	2
Lincolnville	2
Rockport	3

REPRESENTATION	# Members
SAD 28 CSD	7
Hope CSD	1
Hope Local Board	1
Appleton CSD	1
Appleton Local Board	1
Lincolnville CSD	1
Lincolnville Local	
Board	1
TOTAL	13

Votes would be weighted as follows:

#### Municipal Representation with Weighted Voting (2006 Estimated Population figures)

Town	Population	# of Votes	# of Members	Votes per member
Appleton	1335	96	2	48
Camden	5316	384	4	96
Hope	1454	105	2	53
Lincolnville	2197	159	2	80
Rockport	3542	256	3	85
Totals	13844	1000	13	

The school committees of Appleton, Hope and Lincolnville shall each choose from their respective memberships one representative to the AOS school. The members of the Board of Directors of MSAD #28 from Rockport shall appoint from among themselves three members to the AOS school committee from Rockport and the members of the Board of Directors of MSAD #28 from Camden shall appoint from among themselves four members to the AOS school committee from Camden. The members of the Five Town CSD school district committee from Appleton, Hope and Lincolnville respectively, shall each appoint from among themselves one member to the AOS school committee. The appointing authorities may also appoint "alternate members" who may attend meetings and exercise voting power in the event that an AOS committee member is unable to attend a meeting. An annual stipend shall be paid to the RSS Board members at a rate set by the Board."

#### 3. The method of voting of the governing body.

Each Five Town RSS school committee member shall have a weighted vote based on the population of the municipality represented as provided in the Interlocal Agreement.

## 4. The composition, powers and duties of local school committees

No local school committees within the meaning of 20-A M.R.S.A. §1478 shall be created. The composition, powers and duties of the school committees of the Member School Units shall remain unchanged except as specifically modified by the attached Interlocal Agreement or as otherwise provided in this plan.

#### 5. The disposition of real and personal school property.

All real and personal school property of the Member School Units will remain with them.

#### 6. The disposition of existing school indebtedness and leasepurchase obligations if the parties elect not to use the provisions of Section 1506 regarding the disposition of debt obligations.

The indebtedness and lease-purchase obligations of the Member School Units will remain with them.

7. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual

#### obligations.

The following School Union #69 personnel contract and contractual obligations will be transferred to the Five Town RSS: Superintendent of Schools. The following Five Town CSD contracts will be transferred to the RSS: Superintendent of Schools, Special Education Director, Assistant Special Education Director, Business Manager. The following MSAD #28 contract will be transferred to the RSS: Transportation Director. Two currently contracted positions have contracts that expire in 2009, and the decision to renew or not renew those contracts will rest with the RSS Board.

Central office staffs at both the Union #69 and at the Five Town CSD will be transferred to the RSS.

All personnel contracts, school collective bargaining agreements and other school contractual agreements of the Member School Units will remain with them.

# 8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes.

All existing school funds and existing financial obligations of the Member School Units will remain with them. There are currently no school funds reserved for the core functions of the AOS.

## 9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies.

The Five Town Reorganization Planning Committee shall dissolve on the date that a School Reorganization Plan is approved by the voters of the Towns of Appleton, Camden, Hope, Lincolnville, and Rockport or on June 30, 2009, whichever occurs first.

The Five Town RSS school committee shall be appointed by March 1, 2009 and shall develop the budget for the Five Town RSS for FY 2009-10. The Five Town RSS budget for FY 2009-10 shall be adopted by the voters in accordance with the budget meeting and budget validation referendum procedures applicable to regional school units as provided in the Interlocal Agreement. The Five Town RSS school committee shall employ the Five Town RSS school superintendent and make all other necessary decisions in order for the Five Town RSS to become operational. Present Five Town CSD personnel policies shall serve as the interim policies for the Five Town RSS.

### 10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan.

See attached list of RPC meetings. All RPC meetings are public and at each meeting the public is allowed to comment. All meeting agendas, minutes and related documents are available at the office of the Five Town CSD Superintendent. A public forum on the proposed Reorganization Plan will be held prior to the referendum

## 11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan.

This does not apply to the proposed Five Town RSS since towns are all currently members of the Five Town CSD and the approval or rejection of the plan will be by the aggregate count of those voting in all five municipalities.

However, should the plan not be approved by the majority of those participating in the referendum, then the existing school units will consult with the Department of Education and may explore other reorganization options.

## 12. An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.

Initially, due to start-up costs and the costs of existing and future personnel contracts, there probably will be few immediate cost savings for the members of the RSS. In part this is true because we already have explored and realized cost savings over the past ten years by working cooperatively across the Districts. Examples of this collaboration include shared costs for curriculum coordination, for email services, for fuel oil purchases, for some transportation costs (i.e. special education), Additional evidence of this cost sharing and collaboration is that the Five Town CSD and MSAD #28 currently share a Superintendent and other Central Office staff and costs, while the schools of Appleton, Hope, and Lincolnville also share their own Central Office staff and costs under Union #69.

One cost savings will be closing of the Union #69 central office at an estimated savings of \$8,000 annually for rent and utilities. Some additional savings are possible in future years due to efficiencies of scale and potential consolidation of positions if that becomes feasible. The overall intention is to reduce costs, but because of the work in making the transition to an AOS, it may not be feasible to do this for the first year or two.

Examples being explored for future reductions include: in the area of RSS administration

it may be possible to reduce or combine one or more central office administrative positions resulting in savings of \$75,000 in either the 2<sup>nd</sup> or 3<sup>rd</sup> year depending upon District needs; in the area of transportation, route efficiencies may be found using the new software being purchased by the State; in the area of special education, it may be possible to reduce or combine positions resulting in savings of \$75,000. In addition, we are exploring the special pricing afforded by "Get Best Bid" for supplies and equipment and by the food coop for student lunches.

#### 13. Other matters determined to be necessary.

#### 13-A. Other School Union Assets and liabilities:

Union #69 has a liability of \$2945 for a copier lease with Skowhegan Savings which will be transferred to the Five Town RSS.

Ownership of all furniture, computers, software, and other personal property that are currently residing in the central offices of Union #69 and the Five Town CSD will be transferred to the Five Town RSS.

#### 13-B. Tuition Contracts and School Choice

#### 1. Tuition Contracts

As of the date of this plan, Member School Units have no tuition contracts

#### 2. School Choice

School choice among the member units is not an option at this time.

#### 13-C. Claims and Insurance

Continuity of insurance shall be maintained with the assistance of counsel.

#### 13-D. Fewer than 2,500 students

We were previously approved to file a plan with fewer than 2,500 students.

#### 13-E. Plan for Consistent Collective Bargaining Agreements

Current background and context:

There are presently three types of collective bargaining agreements in place within the Member School Units.

The first type of agreement covers the teachers in all of the Member School Units.

The second type of collective bargaining agreement covers the educational technicians and secretaries in the current Five Town CSD and in MSAD #28. The employment of all educational technicians and secretaries in the other Member School Units is not presently covered by a collective bargaining agreement.

The third type of collective bargaining agreement covers the custodians and food service workers in the current Five Town CSD and the custodians, food service workers, and bus drivers in MSAD #28. The employment of custodians and food service workers in the other Member School Units is not presently covered by a collective bargaining agreement.

#### Regional School System plan to achieve consistent bargaining agreements:

The plan to achieve consistent collective bargaining agreements for all teachers in the proposed new Five Town RSS is as follows:

The existing bargaining units, collective bargaining agreements and their expiration dates are as follows:

#### Five Town CSD

Teachers

8-31-2010

Secretaries and Ed Techs

6-30-2010

Bus drivers, custodians, food service 6-30-2011

#### M.S.A.D. No. 28

Teachers

8-31-2010

Secretaries and Ed Techs

6-30-2010

Bus drivers, custodians, food service 6-30-2011

#### **Appleton**

Teachers

8-31-2009

<u>Hope</u>

Teachers

8-31-2010

#### Lincolnville

#### 1. SAU school boards

The school board of each school administrative unit shall appoint a negotiating committee that has the authority to bargain and to make tentative agreements with the bargaining agents.

#### 2. AOS Joint Bargaining Advisory Committee

The SAU negotiating committees shall together comprise an AOS-wide Joint Bargaining Advisory Committee. The duties of the committee shall include:

- to review and analyze differences and similarities among existing collective bargaining agreements;
- to make recommendations to the school boards regarding contract provisions that can and should be made consistent, with a particular focus on non-financial contract language;
- to ensure that individual SAU negotiating committees share information and communicate with one another during the process of negotiating contracts;
- to meet and consult with any joint bargaining committee formed by the bargaining agents of the local bargaining units;
- such other duties and functions as may be assigned to them by the SAU school boards.

#### 3. Goals

By working in consultation with the AOS Joint Bargaining Advisory Committee, the SAU school boards shall aspire to the following goals intended to promote consistency among the collective bargaining agreements:

- A. In order to put all SAUs on the same bargaining schedule, to achieve a common expiration date for all similar bargaining units by December 31, 2013;
- B. To negotiate common language with no financial implications for all contracts covering similar bargaining units by August 31, 2016;
- C. To develop a plan to provide for consistent, not to be construed as equal, collective bargaining agreements.

The plan for consistent collective bargaining contracts is subject to the duty of the school boards to negotiate in accordance with applicable law with the recognized bargaining

agents of the bargaining units. Therefore, this plan is subject to modification by the AOS school committee and the individual SAU school boards.

#### 13-F: Incorporation of Interlocal Agreement

The Interlocal Agreement for the Creation of Five Town RSS attached to this Plan as Exhibit A, is expressly incorporated into and made a part of this Plan.

#### 11-12-08

## Five Town Regional School System Interlocal Agreement for Alternative Organizational Structure 30-A M.R.S.A. Chapter 115

Agreement made as of November 13, 2008 between Town of Appleton School Department ("Appleton"), a municipal school unit acting by and through its governing body; Town of Hope School Department ("Hope"); a municipal school unit acting by and through its governing body; and Town of Lincolnville School Department ("Lincolnville"), a municipal school unit acting by and through its governing body, all with a mailing address of P.O. Box 2007, Hope, Maine 04847-2007; Maine School Administrative District No. 28, a Maine school administrative district and Five Town Community School District, ("Five Town CSD"), a Maine community school district established by Private and Special Law, both with a mailing address of 7 Lions Lane, Camden, Maine 04843 (hereinafter the "Member School Units");

WHEREAS, subject to certain conditions of approval, the Member School Units intend to form an Alternative Organizational Structure (hereinafter "AOS") within the meaning of PL 2007, c. 240 Pt. XXXX, §36, sub-§2(c) and 20-A M.R.S.A. §1, sub-§26(c) for administration of certain aspects of their respective school systems; and

WHEREAS, the Member School Units intend to share services with respect to system administration, transportation administration, special education administration,

and administration of business functions including accounting, reporting, payroll, financial management, purchasing, insurance, and auditing; and

WHEREAS, the Member School Units propose to adopt a common core curriculum, common procedures for standardized testing and assessment aligned with the system of learning results, consistent school policies and school calendars, and a plan for consistent collective bargaining agreements; and

WHEREAS, the Member School Units intend to work together to identify additional areas where they may be able to achieve cost savings and/or enhanced educational programming and opportunities for students; and

WHEREAS, the Member School Units are public agencies of the State of Maine within the meaning of Chapter 115 of Title 30-A of the Maine Revised Statutes; and

WHEREAS, 30-A M.R.S.A. §2203 provides that any powers, privileges or authority exercised or capable of exercise by a public agency of the State of Maine may be exercised jointly with any other public agency of the State of Maine by means of an Interlocal Agreement;

NOW, THEREFORE, subject to certain conditions of approval as stated in Paragraph 19 hereof, the Member School Units enter into an Interlocal Agreement pursuant to Title 30-A M.R.S.A. Chapter 115 as follows:

1. <u>Purpose</u>. The purpose of this Interlocal Agreement is to reorganize the Member School Units into an Alternative Organizational Structure ("AOS") in order to achieve to goals of Maine's School Reorganization Law, PL 2007, Ch. 240 as amended,

including enhanced student educational achievement and greater efficiency in the administration of public school programs.

- 2. Reorganization Plan for an AOS. The Member School Units have formed a Reorganization Planning Committee (hereinafter "RPC") for the purpose of developing a school reorganization plan for an AOS pursuant to Maine's School Reorganization Law (hereinafter "School Reorganization Plan"). The Member School Units agree to work with the RPC to develop a School Reorganization Plan for an AOS which can be submitted to the Commissioner of Education for approval and then submitted to the voters for approval at referendum in accordance with Maine's School Reorganization Law.
- 3. <u>Creation of Legal and Administrative Entity</u>. The inhabitants of and the territory within the Member School Units is hereby created as a body politic and corporate under the name of Five Town Regional School System (hereinafter "Five Town RSS") as an Alternative Organizational Structure within the meaning of PL 2007, c. 240, Pt. XXXX §36(2)(C), a school administrative unit within the meaning of 20-A M.R.S.A. §1(26) and 30-A M.R.S.A. §2252, a quasi-municipal corporation within the meaning of 30-A M.R.S.A. §2351(4), a public agency within the meaning of 30-A M.R.S.A. Chapter 115, and a political subdivision within the meaning of 14 M.R.S.A. Chapter 741, §8102(3), and it shall have all other governmental authority and immunity as may be provided by any other applicable law.

4. AOS School Committee. Five Town RSS established pursuant to this Interlocal Agreement shall be governed by an AOS school committee consisting of representatives from each of the five towns within the Five Town CSD as set forth in the chart set forth below. The school committees of Appleton, Hope and Lincolnville shall each choose from their respective memberships one representative to the AOS school committee. The members of the Board of Directors of MSAD #28 from Rockport shall appoint from among themselves three members to the AOS school committee from Rockport and the members of the Board of Directors of MSAD #28 from Camden shall appoint from among themselves four members to the AOS school committee from Camden. The members of the Five Town CSD school district committee from Appleton, Hope and Lincolnville respectively, shall each appoint from among themselves one member to the AOS school committee. The appointing authorities may also appoint "alternate members" who may attend meetings and exercise voting power in the event that an AOS committee member is unable to attend a meeting. Membership on the AOS school committee shall terminate at any time that a member of the AOS school committee ceases to hold office as a member of the appointing school committee. Any vacancy on the AOS school committee shall be filled by the appointing school committee or board of directors or the appointing members of the appointing school committee or board of directors as applicable. Members of the AOS school committee shall be compensated for attendance at its meetings at the same rate of compensation as for attendance at meetings of the school committee which appointed them.

The AOS school committee shall use the weighted voting method. Until the next Federal Decennial Census, each member's voting power shall be proportionate to the population of that member's municipality as shown below:

Member School Unit/Municipality	Population	% of Total Population of AOS	Number of AOS School Committee Members	Votes Per AOS School Committee Member
Appleton	1,335	9.6%	2	48
Camden	5,316	38.4%	4	96
Норе	1,454	10.5%	2	53
Lincolnville	2,197	15.9%	2	80
Rockport	3,542	25.6%	3	85
Total:	13,844	100%	13	

The weighted vote of each member of the AOS school committee shall be adjusted after each Federal Decennial Census based on a total of 1,000 votes, plus or minus up to 5 votes for rounding purposes, to reflect the then current population of each municipality in the AOS as a percentage of the total population of all municipalities in the AOS.

5. <u>School Systems of Member School Units</u>. Within each of their respective jurisdictions, Member School Units are currently responsible for operation of the following school grades:

Member School Unit	Grades
Hope School Department	Operates grade K-8
Appleton School Department	Operates grades K-8
Lincolnville School Department	Operates grades K-8
Maine School Administrative District	Operates grades K-8

#28	
Five Town CSD	Operates grades 9-12

6. Powers, Authority and Responsibilities. There shall be an AOS central office under the direction and control of the AOS school committee serving all of the Member School Units. The AOS central office shall include without limitation a superintendent of schools, business manager, transportation director, special education director, and curriculum coordinator, provided that one person may hold more than one of these positions. The respective powers and duties of the AOS school committee and superintendent of schools shall be governed by State law. The AOS school committee shall be responsible for overseeing system administration, transportation administration, special education administration, administration of business functions (including accounting, reporting, payroll, financial management, purchasing insurance and auditing) and development and maintenance of a core curriculum and procedures for standardized testing and assessment aligned with the system of learning results for all of the Member School Units in the AOS.

The AOS school committee shall adopt consistent school policies and consistent school calendars in conjunction with the school committees or school boards of the Member School Units. The AOS school committee shall develop and implement on an on-going basis a plan for consistent collective bargaining agreements within the AOS.

More specifically, in furtherance and not in limitation of the powers and responsibilities of the AOS school committee as described above, the powers, authority and responsibilities of the AOS school committee shall include the following:

- a. Oversee the operation of the AOS central office;
- b. Annually develop and obtain voter approval for the AOS central office budget;
- c. Apportion to each Member School Unit its share of the AOS central office budget in accordance with the AOS cost sharing formula;
- d. Oversee central office business services, including accounting, reporting, payroll, financial management, insurance purchasing and auditing for the Member School Units;
- e. Accept and oversee the administration of any balances, carryover funds, reserve accounts and other assets transferred to the AOS under the School Reorganization Plan and oversee the expenditure of other reserve funds as approved through the AOS budget process and as permitted by applicable law;
- f. Own and oversee management of the AOS central office property and equipment;
- g. To the extent permitted by law, authorize and oversee administration of construction and renovation projects or any part of such projects that pertain to the AOS central office;
- h. To the extent permitted by law, assume and incur debt or obtain other financing for the AOS central office, in addition to the authority of one or more Member School Units to incur debt for that purpose;
- i. Oversee administration of federal, state and other grants not overseen by the school committees or school boards of the Member School Units;
- j. Oversee filing of all required state and federal reports for the AOS and the Member School Units;

- k. Employ AOS central office personnel and oversee administration of their wages, hours, and working conditions;
- 1. Oversee the supervision and evaluation of and adopt policies applicable to, AOS central office employees;
- m. Oversee negotiation and administration of consistent collective bargaining agreements and maintenance in the AOS central office of personnel records of all employees of the AOS and Member School Units;
- n. Oversee and maintain a consistent K-12 core curriculum for Member School Units and consistent procedures for standardized testing and assessment aligned with the system of learning results;
- o. Adopt consistent school policies in conjunction with the school committees and school boards of the AOS Member School Units;
- p. Oversee administration of transportation systems for the AOS Member School Units, and administration of bus purchases and debt repayment;
- q. Oversee administration of bookkeeping and reporting requirements for school lunch programs for the AOS Member School Units;
- r. Accept and oversee expenditure of gifts to the AOS central office;
- s. Adopt a consistent school calendar for the AOS Member School Units;
- t. Oversee contracts and lease agreements relating to the AOS Central Office;
- u. Distribute state subsidy among the Member School Units in accordance with the subsidy distribution method described in paragraph 11;
- v. Oversee administration of this Interlocal Agreement and, as deemed necessary from time to time, propose amendments to this Interlocal Agreement for approval by the Commissioner of Education and the voters of the AOS in accordance with Section 18;
- w. Authorize the superintendent of schools, subject to such limitations as the AOS school committee may in its discretion determine, to designate one or more employees of the AOS or Member School Units with administrative certification from the State of Maine to attend meetings of the school

- committees of the AOS and Member School Units in place of the superintendent of schools.
- 7. If the School Reorganization Plan which incorporates this Interlocal Agreement is defeated by a majority of all the voters participating in the referendum from the five towns located within Five Town CSD in the aggregate, this Interlocal Agreement shall not become operative and the AOS shall not be formed.
  - 8. Other Educational Improvements and Cost Savings.

The AOS and the Member School Units shall work together in a cooperative manner under the leadership of the AOS school committee and the superintendent of schools to identify and implement additional measures to improve student achievement and create efficiencies in the delivery of educational services within and among the Member School Units in the AOS.

9. <u>Budget Adoption Procedures</u>. The AOS school committee shall develop each year a central office budget for the AOS which shall be submitted to an AOS budget meeting of the voters of all of the Member School Units prior to calling the budget meetings of the Member School Units. The AOS budget meeting shall be conducted in accordance with the summary cost center budget format, to the extent applicable to the AOS central office budget, and the budget meeting procedures applicable to a regional school unit, except that the duties of the regional school unit board shall be performed by the AOS school committee. The AOS budget must be approved by a majority of the voters from AOS Member School Units at the AOS budget meeting in the aggregate, not

by a majority of the voters from each Member School Unit. Following the AOS budget meeting, the AOS school committee shall notify the Member School Units of their respective shares of the AOS central office budget as approved at the AOS budget meeting calculated in accordance with the cost sharing method in paragraph 10. The school committee of each Member School Unit in the AOS shall then develop its own school budget, including its share of the AOS central office budget, and submit it to the voters of that Member School Unit for approval at a meeting of its legislative body in accordance with applicable law. Following the budget meetings of the AOS and each Member School Unit, the AOS and each Member School Unit shall conduct a budget validation referendum on its budget in accordance with applicable law, except that the 14 day time limit between a budget meeting and a budget validation referendum shall not apply. The AOS and each Member School Unit shall conduct its budget validation referendum on a uniform date as determined by the AOS school committee. The AOS budget validation referendum shall be conducted in accordance with the budget validation referendum procedures applicable to a regional school unit, except that the duties of the regional school unit board shall be performed by the AOS school committee. The AOS budget must be validated by a majority of the voters from Member School Units participating in the referendum in the aggregate, not by a majority of the voters from each Member School Unit. The budget of each Member School Unit must be validated by a majority of the voters participating in the referendum from that Member School Unit. If the budget of the AOS or a Member School Unit is not approved at the

budget validation referendum, the AOS or that Member School Unit shall repeat the budget adoption process until its budget is approved at both a budget meeting and budget validation referendum. Each Member School Unit's final share of the AOS central office budget shall be determined based on the final AOS budget as approved at both a budget meeting and budget validation referendum. The budget validation referendum procedure for the AOS may be discontinued by the voters of the AOS, and the budget validation referendum for a Member School Unit may be discontinued by the voters of that Member School Unit, after three years in accordance with the law applicable to a regional school unit. The AOS shall not have taxing power and the allocation of AOS costs to each Member School Unit under the cost sharing method in paragraph 10 shall not constitute the assessment of a tax. The Member School Units shall be solely responsible for raising taxes to pay their respective shares of the AOS central office budget. Each Member School Unit's share of the AOS central office budget shall be paid to the AOS as a contractual obligation under the terms of this Interlocal Agreement.

- 10. <u>Cost Sharing of AOS Central Office Budget</u>. The Member School Units shall share the costs of the AOS central office budget on the following basis:
- a. The total AOS central office budget shall be divided between grades 9 through 12 and grades K through 8 in proportion to the amounts determined by i) multiplying the average number of resident pupils in grades 9 through 12 in the preceding calendar year by the EPS rate for grades 9 through 12 for the AOS as calculated by the Maine Department of Education for the year of allocation, and ii) multiplying the average

number of students in grades K through 8 in the preceding calendar year by the EPS rate for grades K through 8 for the AOS as calculated by the Maine Department of Education for the year of allocation. For example, if the average number of pupils in grades 9 through 12 were 1,000 and the EPS rate for grades 9 through 12 were \$6,000 and the average number of pupils in grades K through 8 were 2,000 and the EPS rate for grades K through 8 were \$5,000, the AOS costs would be divided between grades 9 through 12 and K through 8 in the same proportion as \$6,000,000 (1,000 x. \$6,000) for grades 9 through 12 and \$10,000,000 (2,000 x. \$5,000) for grades K through 8 or, stated differently, 37.5% for grades 9 through 12 and 62.5% for grades K through 8.

- b. Based on the calculation in paragraph a, the percentage of AOS central office costs assigned to grades 9 through 12 shall be assigned to Five Town CSD which operates grades 9 through 12. The balance of AOS central office costs shall be assigned to grades K through 8.
- c. The amount of AOS central office costs assigned to grades K through 8 under Step b, shall then be divided among the Member School Units responsible for operating grades K-8 in proportion to the required contribution(s) of the town or towns comprising each of those Member School Units for the grades operated as calculated pursuant to Section 11, subparagraph (xix).
- d. The method of sharing AOS costs may be changed by a vote of Appleton,

  Hope and Lincolnville at a town meeting and a vote of MSAD #28 at a district budget

meeting. A change in the method of sharing AOS costs shall not become effective unless separately approved by the voters of Appleton, Hope, Lincolnville and MSAD #28.

- 11. <u>Distribution of State Subsidy</u>. The AOS school committee shall distribute state subsidy received by the AOS as follows:
  - a. State Subsidy Distribution Policy. The AOS school committee, with the advice of the superintendent of schools and such other legal and accounting advice as the AOS school committee deems necessary, shall annually distribute the State education subsidies to be received by the AOS among the AOS Member School Units so that the distribution of State subsidy to each Member School Unit reflects as accurately as is reasonably practical the amount of State subsidy that the Member School Unit would receive if it were a stand-alone unit and not a member of an AOS, excluding the additional State subsidy which has historically been received by Camden and Rockport resulting from the computation of State subsidy independently for M.S.A.D. #28 and Five Town CSD.
  - b. <u>Initial Method of State Subsidy Distribution</u>. Beginning in Fiscal Year 2009-10, the AOS school committee shall distribute state education subsidy received by the AOS among its Member School Units in accordance with the following initial method of State subsidy distribution:

- (i) To the extent that the AOS receives an allocation for debt service, that allocation shall be reassigned to the Member School Units responsible for those debt service costs;
- (ii) To the extent that the AOS receives an allocation for gifted and talented expenditures, that allocation shall be reassigned to the Member School Units in proportion to their respective gifted and talented expenditures in the year two years prior to the year of allocation (hereinafter the "base year");
- (iii) To the extent that the AOS receives an allocation for career and technical education expenditures, that allocation shall be reassigned to the Member School Units in proportion to their respective career and technical education expenditures in the base year;
- (iv) To the extent that the AOS receives an allocation for bus purchases, that allocation shall be reassigned to the Member School Units responsible for those bus purchase costs;
- (v) To the extent that the AOS receives an allocation for special
   education, that allocation shall be reassigned to the Member School
   Units in proportion to their respective special education expenditures
   in the base year;
- (vi) To the extent that the AOS receives an allocation for transportation, that allocation shall be reassigned to the Member School Units in

- proportion to their respective transportation expenditures in the base year;
- (vii) To the extent that the AOS receives an allocation for a 9-12 small school adjustment that allocation shall be assigned to Five Town CSD. To the extent that the AOS receives and allocation for a K-8 small school adjustment, that allocation shall be reassigned to the K-8 Member School Units on the basis of the number of small schools eligible for that adjustment located in each K-8 Member School Unit in the base year;
- (viii) To the extent that the AOS receives an allocation for K-8 disadvantaged students, that allocation shall be reassigned to the K-8 Member School Units in proportion to their respective number of students eligible for that allocation in the base year;
- (ix) To the extent that the AOS receives an allocation for 9-12 disadvantaged students, that allocation shall be reassigned to Five Town CSD;
- (x) To the extent that the AOS receives an allocation for K-8 limited English proficiency students, that allocation shall be reassigned to the K-8 Member School Units in proportion to their respective number of students eligible for that allocation in the base year;

- (xi) To the extent that the AOS receives an allocation for 9-12 limited English proficiency students, that allocation shall be reassigned to Five Town CSD;
- (xii) The remaining balance of the AOS' total allocation, after subtracting the amounts reassigned to Member School Units under subparagraph (i) through (xi), shall be reassigned to the Member School Units in proportion to their respective average number of pupils on April 1 and October 1 of the preceding calendar year multiplied, in the case of Five Town CSD, by the grade 9-12 EPS operating rate for the year of allocation as determined by the Maine Department of Education, and in the case of Appleton, Hope, Lincolnville, and MSAD #28 by the grade K-8 EPS operating rate for the year of allocation as determined by the Maine Department of Education;
- (xiii) The allocations reassigned to MSAD #28 pursuant to subparagraph
  (i) through (xii) shall be further reassigned to the municipalities of
  Camden and Rockport in proportion to their respective average
  number of resident pupils in grades K-8 on April 1 and October 1 of
  the preceding calendar year;
- (xiv) The allocations reassigned to Five Town CSD pursuant to subparagraphs (i) through (xii) shall be further reassigned to the municipalities of Appleton, Hope, Lincolnville, Camden and

- Rockport in proportion to their respective average number of resident pupils in grades 9-12 on April 1 and October 1 of the preceding calendar year;
- (xv) Any State subsidy received by the AOS for a municipality which is eligible for special education adjustment pursuant to 20-A M.R.S.A. §15689(1-A) shall be assigned to that municipality;
- assignments of State subsidy required under subparagraph (xv), shall
  be assigned to the municipalities not eligible for a special education
  adjustment in proportion to the difference between their respective
  total allocations as reassigned in accordance with subparagraphs (i)
  through (xiv) and their respective required contributions as
  calculated by the Maine Department of Education;
- (xvii) The State subsidy assigned to each municipality in the AOS under subparagraphs (xv) and (xvi) shall be distributed to the Member School Unit responsible for operating grades K-8 for that municipality and Five Town CSD which is responsible for operating grades 9-12 in proportion to that municipality's total allocation for grades K-8 and its total allocation for grades 9-12 as reassigned pursuant to subparagraphs (i) through (xiv).

- articles required by the cost center summary budget format, the total allocation of each member school unit and, if applicable, its member municipalities for the grades operated by that Member School Unit shall be the total allocations for the grades operated as reassigned pursuant to subparagraphs (i) through (xiv).
- articles required by the cost center budget summary format and the
  existing cost sharing formula within Five Town CSD the required
  contribution to the total cost of funding education under Essential

  Programs and Services of each Member School Unit and, if
  applicable, its member municipalities, for the grades operated, shall
  be the amount by which their respective total allocations for the
  grades operated as reassigned pursuant to subparagraphs (i) through
  (xiv) exceed the amounts of State subsidy for the grades operated
  distributed or assigned to them pursuant to subparagraphs (xv)
  through (xvii).
- c. Retention of Allocation Flexibility. The Member School Units recognize that the Maine Legislature has a long history of making changes to Maine's school funding formula, that other circumstances may change, and that it is not possible to include in this Interlocal Agreement a precise formula for

distributing State subsidy among Member School Units that will achieve the goal of the State subsidy distribution policy described in subparagraph a above in future years. For that reason, notwithstanding any other provision of this Interlocal Agreement, the AOS school committee, by a two-thirds weighted vote of its full membership, including the affirmative vote of at least one member from each town, may modify the initial method of State subsidy distribution described in subparagraph b above in order to better achieve the State subsidy distribution policy set forth in subparagraph a above.

- belonging to Member School Units shall remain the property of those Member School Units. Any real estate or personal property acquired for the operation of the AOS central office shall be owned by the AOS. In the event of dissolution of the AOS, such property, or the proceeds from the sale of such property, shall be distributed to the Member School Units in proportion to the average over the three preceding fiscal years of their respective contributions to the AOS Central Office budget under the AOS cost sharing method.
- 13. <u>School Closing</u>. The closing of a school within a Member School Unit in the AOS shall be determined by the governing body and voters of that Member School Unit in accordance with applicable law. The AOS school committee and the voters of the AOS shall have no authority to close a school within a Member School Unit.

- 14. <u>Duration</u>. This Interlocal Agreement shall remain in effect from the date that the AOS becomes operational until this Agreement is terminated either pursuant to Paragraph 16 or by operation of law.
- 15. Termination of Participation of Member School Unit. The participation of a Member School Unit in this Interlocal Agreement and the AOS may be terminated for cause upon the failure of a Member School Unit to conform to the statutory requirements applicable to alternative organizational structures, including without limitation, failure to implement the core curriculum, procedures for standardized testing and assessment, consistent school policies and school calendars, and/or the plan for consistent bargaining agreements approved by the AOS school committee. Prior to any such termination, the AOS school committee shall provide the non-conforming Member School Unit with written notice of its failure to conform to AOS statutory requirements and shall provide a 90 day opportunity to cure. If the Member School Unit fails to cure the non-conformity within the 90 day cure period, the AOS school committee shall submit to the Commissioner of Education a plan for termination and equitable distribution and/or compensation with respect to that Member School Unit's proportionate share of the assets of the AOS. Upon approval of the plan by the Commissioner, the Member School Unit's participation in the AOS and this Interlocal Agreement may be terminated by a vote of a majority of all the Members of the AOS school committee, including those from the Member School Unit whose termination is under consideration. The termination of a Member School Unit's participation shall become effective as of the end of the then

current AOS fiscal year and, the AOS shall make a distribution of property and/or provide compensation to the terminated Member School Unit as provided in the plan approved by the Commissioner.

- Withdrawal of Member School Unit. Unless otherwise provided by law, a 16. Member School Unit may withdraw from participation in the AOS upon approval by the Commissioner of Education of a Plan of Withdrawal prepared by the school board or school committee of the Member School Unit seeking to withdraw from the AOS and thereafter approved by the voters of that Member School Unit as may be provided in the Plan of Withdrawal approved by the Commissioner of Education. Before approving a Plan of Withdrawal pursuant to this section, the Commissioner of Education shall give written notice and an opportunity to be heard to the AOS school committee and the other Member School Units in the AOS. The Commissioner of Education may require the AOS school committee and the school committee of the Member School Unit seeking to withdraw to participate in mediation prior to approval of a Plan of Withdrawal by the Commissioner of Education and the voters of the withdrawing Member School Unit. The Commissioner of Education may approve, approve with conditions, or deny a Plan of Withdrawal. Upon approval of a Plan of Withdrawal, the AOS shall make a distribution of property and/or compensation to the withdrawing Member School Unit as provided in the Plan of Withdrawal approved by the Commissioner of Education.
- 17. <u>Termination of Interlocal Agreement</u>. Unless otherwise provided by law, this Interlocal Agreement may be terminated upon approval by the Maine Commissioner

of Education of a Plan of Termination prepared by the AOS school committee or by the school committee(s) of one or more Member School Units, and thereafter approved by the voters of the AOS or the voters of one or more Member School Units within the AOS, as may be provided in the Plan of Termination approved by the Commissioner.

- 18. <u>Amendment of Interlocal Agreement</u>. Subject to approval by the Commissioner of Education, this Interlocal Agreement may be amended upon a two thirds weighted vote of the full membership of the AOS school committee with at least one affirmative vote from each municipality and approval by the voters of the AOS in accordance with the procedures then in effect for adoption of the AOS budget.
- 19. Conditions of Approval. The approval of this Interlocal Agreement by the governing body of each Member School Unit is contingent upon and subject to 1) submission of a School Reorganization Plan for an AOS which incorporates this Interlocal Agreement to the Commissioner of Education by the governing body of that Member School Unit, 2) approval of that School Reorganization Plan by the Commissioner of Education, 3) approval of that School Reorganization Plan at referendum by a majority of the aggregate of all the voters participating in the referendum from the five towns located within Five Town CSD. This Interlocal Agreement shall not become effective, and the AOS shall not become operational, with respect to any Member School Unit whose governing body fails to submit the School Reorganization Plan for an AOS to the Commissioner of Education nor with respect to

any Member School Unit if the School Reorganization Plan incorporating this Interlocal Agreement is not approved at referendum.

- 20. <u>Filing of Agreement</u>. Before becoming effective, this agreement shall be filed with the Secretary of State, the clerk of each municipality within the AOS, and the secretary of each Member School Unit within the AOS.
  - 21. Miscellaneous Provisions.
  - a. This Agreement shall be construed and enforced in accordance with the laws of the State of Maine.
  - b. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
  - This Agreement constitutes the entire Agreement between the parties,
     supersedes all prior negotiations and understandings among them and shall
     not be altered or amended except as provided herein.
  - d. This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall constitute but one and the same instrument.
  - e. The headings in this Agreement are for convenience of reference only and shall not affect in any manner any of the terms and provisions hereof.

WIT	ľNI	ES	c.
W	ľ	-	•

#### **Appleton School Department**

Miles Watlent	BY: Kathleen Sutter, Its Chair Municipal School Committee Date: November 13, 2008
WITNESS:  [ july July ]	Hope School Department  BY: Where A. Bocs wahan, Its Chair Municipal School Committee  Date: Mountur 13, 2008
WITNESS:  Loren Stuwert	BY: Mund A Hart, Its Chair Municipal School Committee Date: November 3, 2008
WITNESS:	Maine School Administrative District No. 28  BY: Victoria Mana Victoria Mana Board of School Directors Date: Dovomber 13, 2008
WITNESS:	BY:  School Committee  Date: November 13, 2008

WITNESS:

APPROVED FOR COMPLIANCE WITH APPLICABLE LAW PURSUANT TO 30-A M.R.S.A. §2205

Susan M. Gendron

State of Maine

Commissioner of Education Date: November 19, 2008